

## V. PROJECTED REVENUES AND EXPENDITURES OF NON-HOUSING REDEVELOPMENT FUNDS (FY 2003-08)

**Table V-1A**  
**Estimated Expenditures and Revenue**  
**Non-Housing Redevelopment Funds**  
**From July 1, 2003 through June 30, 2008**

<b>Uses of Funds</b>	<b>Estimated Expenditures</b>
<i><b>Administration</b></i>	
Pass-Through Payments	\$ 37,700,000
Debt Service	\$ 24,500,000
Affordable Housing 20% set-aside	\$ 25,500,000
Non-Housing Administration/ County Administration	\$ 4,100,000
ERAF Transfers	\$ 20,300,000
<i><b>Niles</b></i>	
Enhanced Business Performance	\$ 100,000
Foster Investment in Privately-Owned Properties	\$ 450,000
Public Infrastructure Improvements	\$ 0
<i><b>Irvington</b></i>	
Enhanced Business Performance	\$ 100,000
Foster Investment in Privately-Owned Properties	\$ 640,000
Public Infrastructure Improvements (a)	\$ 20,754,000
<i><b>Centerville</b></i>	
Enhanced Business Performance	\$ 100,000
Foster Investment in Privately-Owned Properties	\$ 1,020,000
Public Infrastructure Improvements	\$ 712,000
<i><b>Industrial</b></i>	
Public Infrastructure Improvements (b)	\$ 52,409,000
Contingencies for Interchanges and Grade Separation	\$ 4,000,000
<b>Total Estimated Expenditures</b>	<b>\$ 192,385,000</b>

<b>Sources of Funds</b>	<b>Estimated Revenue</b>
Fund balance as of 7/1/03	\$ 70,086,000
Tax Increment Revenue - Niles	\$ 1,400,000
Tax Increment Revenue - Irvington	\$ 11,200,000
Tax Increment Revenue - Centerville	\$ 4,100,000
Tax Increment Revenue - Industrial	\$ 110,599,000
<b>Total Estimated Revenue</b>	<b>\$ 197,385,000</b>

<b>Estimated 6/30/08 fund balance</b>	<b>\$ 5,000,000</b>
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**Notes:**

- (a) Washington Grade Separation project included.
- (b) Mission Boulevard project included.

## **VI. AFFORDABLE HOUSING FIVE-YEAR IMPLEMENTATION PLAN**

This section describes the Housing Component of the Implementation Plan for the Niles, Irvington, Centerville and Industrial Redevelopment Project Areas, and summarizes the Agency's housing obligations pursuant to the legal requirements of the California Community Redevelopment Law as amended by AB 1290, AB 315, AB 637 and SB 701.

### **1. Summary of Legal Requirements**

- a. Basic Housing Production Requirement: For housing developed or substantially rehabilitated directly by a Redevelopment Agency, 15% must be affordable to very low-income households, and 15% must be affordable to low or moderate income households. (This requirement applies only to units directly developed by the Agency and does not apply when the Agency enters into agreements with private developers to produce affordable units). For housing produced by public (other than the Agency) or private developers, 6% must be affordable to very low-income households, and 9% must be affordable to low or moderate income households. *Exhibit VI-1A* shows the current income limits. This requirement is not imposed on each individual project, but rather these affordability requirements must be achieved in the aggregate.
- b. Housing Fund Requirement: Redevelopment agencies are required to target financial investments to different income levels using the regional fair share allocation as a benchmark and must satisfy this requirement over a ten-year implementation plan period. A new requirement also requires redevelopment agencies to assist persons regardless of age in at least the same proportion that the community's population under age 65 bears to the total population of the community.
- c. Replacement Housing Requirement: Agencies must replace housing units removed from the housing stock as a result of redevelopment activities.

The Affordable Housing Five-Year Implementation Plan must also include the following components:

- An explanation of how the goals, objectives, programs, and expenditures set forth in the Housing Implementation Plan will implement the affordable housing requirements;
- An explanation of how the Agency will meet its Housing Fund "expenditure targeting requirements;
- A determination as to whether at least 15% of the number of housing units developed or substantially rehabilitated by public or private entities over the ten (10) year housing production compliance period (1998-2008) will meet the affordable inclusionary requirement (6% affordable to very low income households and 9% to low and moderate-income households;
- An identification of proposed locations for replacement housing, which the Agency will be required to produce if a planned project will result in the destruction of existing affordable housing.

## **2. Affordable Housing Program and Expenditure Plan of Affordable Housing Fund**

### **2.1 Five-Point Housing Program**

Adopted in 1998 as part of the Agency's previous Five Year Implementation Plan, the Agency's Five Point Program invests in five distinct programs to meet the City's overall goals to produce, enhance, and preserve affordable housing. The Five Point Program has guided and will continue to guide appropriations and housing investments. Currently, funds are invested in:

1. **New construction**, which provides loans and technical assistance to produce new affordable housing;
2. **First Time Homebuyer's Program**, which provides loans of up to \$40,000 in down payment assistance to increase ownership opportunity for Fremont first time homebuyers and stabilize neighborhoods;
3. **Home Improvement Loan Program**, which provides low interest loans to assist homeowners to improve their homes and to prevent neighborhood deterioration and to arrest blight;
4. **Apartment acquisition and rehabilitation**, which provides acquisition and/or improvement loans at reduced interest rates to secure affordable rents over a minimum 55 year term and to prevent neighborhood deterioration and to arrest blight; and
5. **Preservation of affordable housing**, which provides technical assistance and identifies and secures necessary financial resources so that affordable units do not convert to market rate after their restricted affordability term expires, causing a housing crisis for many Fremont households living in affordable units.

### **2.2 Investments Over the Previous Five Years (FY 1998-2003)**

As part of the Five Year Implementation Plan, redevelopment agencies are required to prepare and adopt detailed plans regarding expenditures of the Affordable Housing Fund money. Sections 2.3 and 2.5 below provide a detailed expenditure plan and annual housing production goals for the Agency. Table 2-2A shows how the Affordable Housing Funds were spent in the previous five-year period. This table shows that the Agency invested over \$20 million in the last five years on its Five Point Program, providing assistance to 579 affordable units. In addition, the Agency assisted in preventing 268 affordable units from converting to market rate units through its Affordable Housing Preservation Strategy, at minimum or no cost to the Agency.

**Table 2-2A**

**Expenditure of Affordable Housing Funds  
From July 1, 1998 through June 30, 2003**

<b>Program</b>	<b>Total Investments<sup>1</sup></b>	<b>Total Affordable Units</b>
New Construction <sup>1</sup>	\$14,652,720	437 Units
First Time Homebuyers	\$1,403,862	28 Units
Home Improvement Loan Program	\$955,060	33 Units
Apartment Acquisition and Rehabilitation	\$3,100,000	81 Units
Preservation of Affordable Housing <sup>2</sup>	(See Note #2)	(See Note #2)
	\$20,111,642	579 Units

Source: City of Fremont Redevelopment Agency, April 2003.

Notes:

1. Total investments represents amount of affordable housing funds allocated to individual projects, as of April 2003: a) Fremont Oak Gardens (50 affordable units); b) Bridgeway East (18); c) Adams Avenue (17); d) Oroyosm/Avelina (100); e) Fremont Vista (20); f) Affirmed Housing (132); and g) Mercy Family Housing (100). Additional affordable housing funds may be required for some of these projects, such as Affirmed and Mercy. Total Agency contribution for these projects are yet to be determined.
2. In the previous Five Year Implementation Plan Period (FY 1998-2003), the Agency assisted in saving a total of 268 affordable units from converting to market rate units. Administrative costs associated with the Affordable Housing Preservation Strategy were not substantial; however, in the next five year Implementation Plan period (FY 2003-2008), the Agency proposes to allocate \$1.4 million to this effort.

### **2.3 Estimated Funds and Proposed Expenditure Plan for Affordable Housing for the Next Five Years (FY 2003- 2008)**

According to the California Redevelopment Law, the Agency is required to include in its Implementation Plan a report on the amount available in the Affordable Housing Funds, estimates of deposits into the Housing Fund during the next five years, and the Agency's plans for utilizing annual deposits to the Housing Fund.

Table 2-3A shows the estimated amount of funds to be deposited into the Affordable Housing Fund in the next five years. The primary funding source for the Agency's affordable housing activities during the Implementation Plan period will be the proceeds from a taxable bond issued in June 2003 and the 20% housing set-aside of annual tax increment revenue deposited by the Agency into its Affordable Housing Fund. As shown in Table 2-3A, the Agency expects that \$50,585,117 (Issuance of housing bond will generate \$16.5 million, or \$500,000 more than originally estimated) will be available in the Affordable Housing Fund over the next five years, comprised of a remaining fund balance of \$8,585,117 in FY 2002/03, deposit of \$16.5 million in proceeds from the June 2003 bond, and new deposits of housing tax increment dollars to the Fund during the next five years. The table shows the estimated amount of funds to be deposited

annually for the next five years beginning in FY 2003/04 to FY 2007/08. The expenditure plan is shown in greater detail in Table 2-3B.

**Table 2-3A**

**Estimated Deposits to Affordable Housing Fund  
From July 1, 2003-June 30, 2008**

<i><b>Year</b></i>	<b>Estimated Deposits to Affordable Housing Fund</b>
FY 2002/03 Balance	\$ 25,085,117
2003/04	\$ 5,000,000
2004/05	\$ 5,000,000
2005/06	\$ 5,100,000
2006/07	\$ 5,200,000
2007/08	\$ 5,200,000
<i><b>Five-Year Total</b></i>	<b>\$ 50,585,117</b>

Source: City of Fremont Redevelopment Agency Housing Bond Cash Flow, April 2003, and Redevelopment Agency Proposed Project Appropriations Plan, FY 2003/04.

Table 2-3B shows the Agency's proposed expenditure plan for the next five-year implementation period. This table shows the proposed expenditures for each of the five categories of the Agency's Five-Point Housing Program. This expenditure plan also shows the estimated expenditures for housing program administration and bond repayments.

In keeping with the Affordable Housing Investment Strategy (adopted by Redevelopment Agency Board on June 25, 2002), the Agency will continue to invest in its Five-Point Housing Program, focusing a majority of the funds on new construction. According to Table 2-3B, at least 76% of the Affordable Housing Funds is proposed to be spent primarily on new construction of rental housing for large families, people with special needs, and seniors. According to the Affordable Housing Investment Strategy, 80% of the New Construction funds will be spent on rental housing while 20% of the New Construction funds will be spent on homeownership units. Expenditures for the First-Time Homebuyer Program and Home Improvement Program (rehabilitation loan program for single family homes) make up 14% of Affordable Housing Funds. The remaining funds will be spent on acquisition and/or rehabilitation of at least 36 apartment units and preservation of existing affordable housing units at risk of converting to market rate.

**Table 2-3B**  
**Proposed Expenditure Plan for Affordable Housing Fund**  
**From July 1, 2003 to June 30, 2008**

	2003/04	2004/05	2005/06	2006/07	2007/08	Total	%
<b>Affordable Housing Production</b>							
1. New Construction	(See Note 1)					261	
2. First Time Homebuyer	15	15	15	15	15	75	
3. Home Improvement	13	13	13	14	14	67	
4. Apartment Acquisition and/or Rehabilitation	0	36	0	0	0	36	
5. Preservation of At-Risk Housing	0	130	0	114	132	376	
<b>Total</b>						<b>838</b>	
<b>Estimated Expenditures (Programs Only)</b>							
1. New Construction	\$ 18,250,000	\$ 8,800,000	\$ -	\$ -	\$ -	\$ 27,050,000	76%
2. First Time Homebuyer	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 3,000,000	8%
3. Home Improvement	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 2,000,000	6%
4. Apartment Acquisition and/or Rehabilitation	\$ -	\$ 1,500,000	\$ -	\$ 500,000	\$ -	\$ 2,000,000	6%
5. Preservation of At-Risk Housing	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 1,500,000	4%
Sub-Total, Programs						\$ 35,550,000	
<b>Estimated Expenditures(Administration Costs)</b>							
1. Housing Administration	\$ 975,000	\$ 975,000	\$ 750,000	\$ 600,000	\$ 384,810	\$ 3,684,810	
2. Bond Repayment	\$ 435,176	\$ 588,960	\$ 2,595,735	\$ 2,597,670	\$ 2,598,080	\$ 8,815,621	

Sub-Total, Administration	\$ 1,410,176	\$ 1,563,960	\$ 3,345,735	\$ 3,197,670	\$ 2,982,890	\$ 12,500,431	
<b>Reserves (for FY 2008/09)</b>						<b>\$ 2,534,686</b>	
<b>Total Expenditures</b>						<b>\$ 50,585,117</b>	

Source: City of Fremont Redevelopment Agency Proposed Project Appropriations Plan, FY 2003/04-2007/08, April 2003.

Notes (to Table 2-3B):

1. New Construction: The number of units to be assisted on annual basis is yet to be determined and will depend on the number of projects initiated each year. The 261 units is an estimate of the number of units that may be assisted using 76% of Affordable Housing Funds on New Construction.
2. Preservation: The number of units to be *financially assisted* is yet to be determined. In the previous five year period, the administrative costs associated with implementation of Affordable Housing Preservation strategy were minimal. The number of units noted in the chart represent the units the Agency intends to preserve through its housing preservation strategy.



## 2.4 Housing Fund Targeting

The Agency must target its expenditures to produce units affordable to very-low and low-income households in at least the same proportion to the community's unmet need, using the regional fair share allocation as a benchmark to satisfy this requirement over a ten-year implementation period. In order to bring this ten-year compliance period for Housing Fund targeting into the same timeframe as the ten-year compliance period for Project Area production described in Section 3 below, which ends in 2008, the Agency will voluntarily accept a shorter initial targeting period that will also end in 2008. The next ten-year compliance period for both the Housing Fund targeting period described in this section, and the Project Area production on requirement described in Section 3 will then run from July 1, 2008, through June 30, 2018. Table 2-4A below shows the total housing need by income level.

**Table 2-4A**  
**ABAG Fair Share Allocation By Income Category**  
**For 2001-2006**

<b>Income Category</b>	<b>Revised New Unit Need (RHND)</b>
Very Low	873
Low	602
Moderate	1,791
Above Moderate	1,647
Total*	4,913

Source: ABAG Regional Housing Needs Determination, and City of Fremont Draft Housing Element, 2001-2006.

It is important to note that the Affordable Housing Funds can only be used to assist those whose incomes do not exceed moderate income (or up to 120% of median income computed by family size). Table 2-4B shows that at a minimum, the Agency must target 18% of the Affordable Housing Fund to produce housing affordable to very low-income households and 12% on housing affordable to low income households.

**Table 2-4B**  
**Expenditure Target for Affordable Very Low and Low Income Units**  
**(based on ABAG Fair Share Allocation For 2001-2006)**

<b>Income Category</b>	<b>Revised New Unit Need (RHND)</b>	<b>Housing Fund Expenditure Target (Minimum Legal Requirement)</b>
Very Low	873	18%
Low	602	12%
Moderate	1,791	N/A
Above Moderate	1,647	N/A
<b>Total</b>	<b>4,913</b>	

Source: Association of Bay Area Governments (ABAG), Regional Housing Needs Determination, City of Fremont, 2001.

According to the Proposed Expenditure Plan for the next five-year period, the Agency plans to expend the majority of its funds on new construction of rental housing for very low and low-income households, especially for households with large families, people with special needs, and seniors. As shown in Table 2-3B, 76% of Affordable Housing Funds will be spent on New Construction projects. According to the Affordable Housing Investment Strategy, at least 80% of the New Construction funds will be used for rental housing and 20% on homeownership units. Thus, the Agency will not only fulfill but will exceed its Fund Targeting requirements for very low and low-income households.

#### **Additional Housing Fund Targeting**

Recent law now requires Redevelopment Agencies to assist housing for persons regardless of age in at least the same proportion that the community's population under age 65 bears to the total population. Table 2-4C below describes the City of Fremont's population:

**Table 2-4C**  
**City of Fremont Population by Age**

<b>Age</b>	<b>2000</b>
Under 10 yrs.	14.9%
10-19 yrs.	13.1%
20-44 yrs.	42.3%

45-64 yrs.	21.3%
65+ yrs.	8.4%
Total Population	100%

Source: 2000 Census.

In looking toward the balance of the Agency's first Housing Fund targeting compliance period, future investments in senior housing, defined as housing for those 62 years of age or older, should not exceed approximately 8-10%.

According to the Proposed Expenditure Plan for the next five-year period, the Agency plans to expend the majority of its funds on new construction of rental housing for very low and low-income households, especially for households with large families, people with special needs, and seniors. As shown in Table 2-3B, 76% of funds will be spent on new construction projects. In keeping with the Affordable Housing Investment Strategy, at least 80% of the New Construction funds will be used for rental housing and 20% on homeownership units. The Agency will fulfill its Fund Targeting requirements for senior households by expending no more than 8-10% of New Construction funds on senior housing.

## **2.5 Schedule for Annual Agency Assistance for the Next Five Years**

The Agency plans to target its Housing Fund for very low and low-income households as specified by the California Redevelopment Law. However, the Agency will make every effort to encourage development of housing affordable to meet the needs of people at all income levels, and apply its resources in a manner that meets the ten year Housing Production requirement described in Section 3 below. By combining various funding sources and through collaborations with other partners dedicated to the development of affordable housing, the Agency is confident it will meet its Housing Production obligations in the next five years.

The Agency expects to take advantage of the opportunities as they are presented and to initiate actions as necessary to preserve and facilitate the development of affordable housing for households whose basic needs are not met by the private housing market. At this time, based on information and opportunities known to date, the Agency plans to achieve the following annual affordable housing goals.

### **FY 2003/04**

#### ***New Construction (Agency funds committed prior to July 1, 2003):***

- **Bridgeway East(Irvington Project Area):** This project includes a total of 18 units (10 extremely low and 8 very low-income units) The Agency is providing the Developer, Tri-City Homeless and Allied Housing, with a loan in the amount of \$2.75 million for acquisition and construction. Construction plans have been

submitted to the City and plan checking is underway. Project expected to be completed: Summer 2004.

- **Fremont Oak Gardens (Outside Redevelopment Project Areas):** This project will provide 50 units of affordable housing featuring amenities and design features oriented to the special needs of deaf seniors (30 very low, 20 low-income). The Agency is providing the Developer, Satellite Housing Inc., a construction loan in the amount of \$3.3 million. The project will also utilize \$900,000 in City HOME funds and \$210,000 in City CDBG funds. Construction is expected to begin June 2003 and completed in Fall 2004.
- **Fremont Vista (Outside Redevelopment Project Areas):** This project is an assisted living facility, which will provide 100 units of affordable senior housing (4 very low, 16 low and 80 market rate units). The Agency is providing the Developer, Fremont Vista Retirement Homes, a construction loan of \$2.38 million. A groundbreaking was held in March 2003, and grading of the site has begun. Construction is expected to be completed in August 2004.
- **Affirmed Housing (Centerville Project Area):** Proposed 132-units of rental housing for families (96 very low income, 36 low income), including 9 market-rate, single-family housing units. The Agency provided \$319,715 loan for predevelopment and is currently working with the Developer, Affirmed Housing, in securing an Agency loan of up to \$13 million for acquisition and construction. Affirmed Housing plans to submit an application for Low-Income Housing Tax Credits for construction financing in July 2003. If application for tax credit allocation is successful, the project will begin construction in March 2004 and the project would be completed in February 2005.
- **Mercy Family Housing (Outside Project Area):** Proposed development of at least 100 rental housing units for families. The Agency is working with the Developer, Mercy Housing California (Mercy), in securing an Agency loan for acquisition and construction. Negotiations to purchase site are underway. Mercy plans to submit an application for Low-Income Housing Tax Credits in 2004. If application for tax credit allocation is successful, construction would begin in Spring or Summer 2005.

### ***New Construction (In Pipeline):***

The following projects were initiated in FY 2002-03 and are in the early planning stages. The Agency is working with the Developers in conducting due diligence for the sites.

- **Lincoln Street Apartments (Irvington Project Area):** Proposed 11-unit development for developmentally disabled residents (11 very low income). The Agency is working with the Developer, Housing Consortium of the East Bay (HCEB), to secure acquisition and construction financing through the Agency, and funds from other local agencies. Negotiations to purchase site are underway. HCEB plans to submit an application for HUD 811 funds in May 2003. If application is successful, construction would begin in Fall 2004.
- **Central Avenue Townhomes (Centerville):** A 20-unit approved development, with 2 units reserved for moderate-income first-time homebuyer. To facilitate

development of the townhomes, the Agency acquired Haller's Pharmacy and relocated the tenants to a neighboring site. Site planning and refining of financing plan will resume in Spring 2003.

- **Centerville Unified Site:** Development plans will include a housing component. The number of affordable units and Agency contribution to project is yet to be determined. The Agency anticipates selection of a developer in late Summer 2003 and commencement of development in late 2004.
- **New Project:** At a minimum, the Agency will pursue and invest in one new construction project each year. The number of affordable units is yet to be determined.

***First Time Homebuyer Program:*** Provide down payment assistance to at least 15 low and moderate-income households.

***Home Improvement Program:*** Provide housing rehabilitation loans to at least 13 very low, low and moderate income households.

***Apartment Acquisition and/or Rehabilitation (Agency funds committed prior to July 1, 2003):***

- **Glen Haven Apartments (Centerville Project Area):** Agency provided \$3 million for rehabilitation of 81 rental units (9 very low, 48 low, and 24 moderate income). Interior and exterior improvements are underway, and are expected to be completed by Fall 2003.

***Preservation:*** Continue to implement Affordable Housing Preservation Strategy to ensure units at risk of converting to market rate remain affordable. The strategy includes: (1) early and proper notification to affected residents and government agencies; (2) early discussions with apartment managers and owners to discuss potential options and incentives for renewal of affordability restrictions; (3) work with owners and affordable housing developers who might be interested in acquiring the project; and (4) serve as a resource and catalyst to seek out resources, including local, state and federal financial assistance programs. In the event that protection of the units is infeasible, the Agency will work with property owner to ensure impacted tenants receive proper notification and are provided with resources for assistance.

**Projects:**

**Good Shepard:** 32 very low income units for developmentally disabled. Affordability restrictions expire, December 2004. Agency will continue to work with apartment owners to identify incentives and options for keeping units affordable.

**Rancho Luna:** 26 very low income units for seniors. Affordability restrictions expire, March 2005. Agency has initiated discussions with apartments owners to identify incentives and options for keep units affordable.

**Rancho Sol:** 12 very low income units for seniors. Affordability restrictions expire, March 2005. Agency has initiated discussions with apartments owners to identify incentives and options for keep units affordable.

**Crossroads:** 60 low income units for families and seniors. Affordability restrictions expire, May 2005. Agency has initiated discussions with apartments owners to identify incentives and options for keep units affordable.

#### **FY 2004/05**

##### ***New Construction:***

- **New Project:** At a minimum, the Agency will pursue and invest in one new construction project each year. The number of affordable units is yet to be determined.

***First Time Homebuyer Program:*** Provide down payment assistance to at least 15 low and moderate-income households.

***Home Improvement Program:*** Provide housing rehabilitation loans to at least 13 very low, low and moderate-income households.

##### ***Apartment Acquisition and/or Rehabilitation:***

- **New Project:** The Agency will pursue and invest in at least one apartment acquisition/rehabilitation project. According to the Agency's expenditure plan, the Agency has the ability to assist the acquisition and/or rehabilitation of 36 apartment units (at \$55,000 investment per unit) over the next five-year period. The actual number of units to be assisted will depend on size of project and is yet to be determined.

***Preservation:*** Continue to implement Affordable Housing Preservation Strategy to ensure units at risk of converting to market rate remain affordable. (For details on Preservation Strategy, see Preservation goals for FY 2003/04.)

***Projects:*** Continue discussions with apartments owners to identify incentives and options for keep units affordable, and ensure impacted tenants and government agencies receive project updates. Below is a list of developments with affordability restrictions expiring in FY 04/05:

**Good Shepard:** 32 very low income units for developmentally disabled. Affordability restrictions expire, December 2004.

**Rancho Luna:** 26 very low income units for seniors. Affordability restrictions expire, March 2005.

**Rancho Sol:** 12 very low income units for seniors. Affordability restrictions expire, March 2005.

**Crossroads:** 60 low income units for families and seniors. Affordability restrictions expire, May 2005.

Initiate discussions with apartment owners and managers for the following projects with affordability restrictions expiring in FY 2006/07 (Agency's goal is to initiate discussions two years prior to expiration date):

**Parkside Place:** 16 low-income units for families and seniors. Affordability restrictions expire, September 2006.

**Pasatiempo:** 59 very low-income units for seniors. Affordability restrictions expire, September 2006.

**Heritage Village:** 39 very low-income units for families and seniors. Affordability restrictions expire, March 2007.

## **FY 2005/06**

### ***New Construction:***

- **New Project:** At a minimum, the Agency will pursue and invest in one new construction project each year. The number of affordable units is yet to be determined.

***First Time Homebuyer Program:*** Provide down payment assistance to at least 15 low and moderate-income households.

***Home Improvement Program:*** Provide housing rehabilitation loans to at least 13 very low, low and moderate-income households.

### ***Apartment Acquisition and/or Rehabilitation:***

- **New Project:** See annual production goal for Apartment Acquisition and/or Rehabilitation for FY 2004/05.

***Preservation:*** Continue to implement Affordable Housing Preservation Strategy to ensure units at risk of converting to market rate remain affordable. (For details on Preservation Strategy, see Preservation goals for FY 2003/04.)

***Projects:*** Continue discussions with apartments owners to identify incentives and options for keep units affordable, and ensure impacted tenants and government agencies receive project updates. The following projects have affordability restrictions expiring in FY 2006/07:

**Parkside Place:** 16 low-income units for families and seniors. Affordability restrictions expire, September 2006.

**Pasatiempo:** 59 very low-income units for seniors. Affordability restrictions expire, September 2006.

**Heritage Village:** 39 very low-income units for families and seniors. Affordability restrictions expire, March 2007.

Initiate discussions with apartment owners and managers for the following projects with affordability restrictions expiring in FY 2007/08 (Agency's goal is to initiate discussions two years prior to expiration date):

**Woodcreek:** 60 low income units for families and seniors. Affordability restrictions expire, August 2007.

**Mission Wells:** 45 low income units for families and seniors. Affordability restrictions expire, September 2007.

**Regency Square:** 27 low-income units for families and seniors. Affordability restrictions expire, August 2008.

#### **FY 2006/07**

##### ***New Construction:***

- **New Project:** At a minimum, the Agency will pursue and invest in one new construction project each year. The number of affordable units is yet to be determined.

***First Time Homebuyer Program:*** Provide down payment assistance to at least 15 low and moderate-income households.

***Home Improvement Program:*** Provide housing rehabilitation loans to at least 14 very low, low and moderate-income households.

##### ***Apartment Acquisition and/or Rehabilitation:***

- **New Project:** See annual production goal for Apartment Acquisition and/or Rehabilitation for FY 2004/05.

***Preservation:*** Continue to implement Affordable Housing Preservation Strategy to ensure units at risk of converting to market rate remain affordable. (For details on Preservation Strategy, see Preservation goals for FY 2003/04.)

***Projects:*** Continue discussions with apartments owners to identify incentives and options for keep units affordable, and ensure impacted tenants and government agencies receive project updates. The following projects have affordability restrictions expiring in FY 2006/07 and FY 2007/08:

**Parkside Place:** 16 low-income units for families and seniors. Affordability restrictions expire, September 2006.

**Pasatiempo:** 59 very low-income units for seniors. Affordability restrictions expire, September 2006.

**Heritage Village:** 39 very low-income units for families and seniors. Affordability restrictions expire, March 2007.

**Woodcreek:** 60 low-income units for families and seniors. Affordability restrictions expire, August 2007.



**Mission Wells:** 45 low-income units for families and seniors. Affordability restrictions expire, September 2007.

**Regency Square:** 27 low-income units for families and seniors. Affordability restrictions expire, August 2008.

## **FY 2007/08**

### ***New Construction:***

- **New Project:** At a minimum, the Agency will pursue and invest in one new construction project each year. The number of affordable units is yet to be determined.

***First Time Homebuyer Program:*** Provide down payment assistance to at least 15 low and moderate-income households.

***Home Improvement Program:*** Provide housing rehabilitation loans to at least 14 very low, low and moderate-income households.

### ***Apartment Acquisition and/or Rehabilitation:***

- **New Project:** See annual production goal for Apartment Acquisition and/or Rehabilitation for FY 2004/05.

***Preservation:*** Continue to implement Affordable Housing Preservation Strategy to ensure units at risk of converting to market rate remain affordable. (For details on Preservation Strategy, see Preservation goals for FY 2003/04.)

***Projects:*** Continue discussions with apartments owners to identify incentives and options for keep units affordable, and ensure impacted tenants and government agencies receive project updates. The following projects have affordability restrictions expiring in FY 2007/08:

**Woodcreek:** 60 low-income units for families and seniors. Affordability restrictions expire, August 2007.

**Mission Wells:** 45 low-income units for families and seniors. Affordability restrictions expire, September 2007.

**Regency Square:** 27 low-income units for families and seniors. Affordability restrictions expire, August 2008.

## **3. Inclusionary and Housing Production Obligations**

Each agency, as part of its five-year implementation plan adoption, must demonstrate how the agency will comply with inclusionary and housing production requirements and ensure they will be met every ten (10) years. The inclusionary and housing production obligations require that:

- a. For housing developed or substantially rehabilitated directly by a Redevelopment Agency, 15% must be affordable to very low-income households and 15% must be affordable to low or moderate income households. (This requirement applies only to units directly developed by the Agency and does not apply when the Agency enters into agreements with developers to produce affordable units);
- b. For housing produced by public (other than the Agency) or private entities (developers), 6% must be affordable to very low-income households, and 9% must be affordable to households with low or moderate-income households (see *Exhibit VI-1A* for most recent income limits). This requirement is not required to be imposed on each individual project, but rather, must be met in the aggregate;
- c. For any affordable units developed outside of the project area(s), an agency may get only 50% credit for each unit developed; that is, for every two (2) units of affordable housing developed outside of the project area(s), the agency can count one (1) unit towards meeting its production obligation;
- d. Substantially rehabilitated units may count towards meeting the housing production requirement. The law defines substantially rehabilitated as rehabilitation, the value of which constitutes 25% of the after-rehabilitation value of the dwelling unit, including the value of the land; and
- e. Agencies may satisfy the inclusionary requirement by acquiring long-term affordability covenants on multi-family units that restrict the cost of renting or purchasing the units. This method cannot be used to satisfy more than 50% of the units required to be affordable and not less than 50% must be affordable to very low-income households.

The law also requires that an agency discuss how it intends to meet its Housing Production Requirement (the “Housing Production Plan”) for the following time periods:

1. historical production (since the formation of the Redevelopment Project Areas);
2. production over a ten year period (currently the Agency is at the mid-point, or at year 5, of the 10-year production period); that is, the Agency’s current housing production compliance period runs from July 1, 1998 to June 30, 2008; and
3. production over the life of the Plan.

### **3.1 Historical Production**

Since the beginning of redevelopment efforts in July 1977, a total of 1,075 new and substantially rehabilitated housing units were developed in the Project Areas. Prior to January 2, 2002, “substantially rehabilitated dwelling units” meant substantially rehabilitated multifamily rented dwelling units with three or more units, regardless of whether there was agency assistance, and single-family dwelling units with one or two units. On or after January 1, 2002, “substantially rehabilitated dwelling units” means all units substantially rehabilitated with Agency assistance. Of those units, the Agency’s housing production obligation was 163 units (66 very low income, and 97 low and moderate-income) Table 3-1A below summarizes

historical production in each Project Area, and shows the Agency's housing production obligation. As of FY 1997/98, the Agency has exceeded its housing production obligation for very low, low and moderate-income units by 186 units. Table 3-1B lists the affordable housing developments with price-restricted units that were counted towards meeting the Agency's housing production obligations for the period prior to FY 1998/99.

**TABLE 3-1A**  
**Historical Housing Production Obligation**  
**For Fremont Redevelopment Project Areas**  
**(Prior to FY 98/99)**

	Niles	Irvington	Industrial	Centerville	Outside Project Area	Total
<b>1. Total Historical Housing Production</b>						
New Units	74	930	0	71	N/A	1075
Substantially Rehabilitated Units	0	0	0	0	N/A	0
Subtotal	74	930	0	71	N/A	1075
<b>2. CRL Affordable Housing Production Requirement</b>						
Very-Low Income (6% of Total)	5	56	0	5	N/A	66
Very-Low, Low, or Moderate Income (9% of Total)	7	84	0	6	N/A	97
Subtotal	12	140	0	11	N/A	163
<b>3. Units Produced that Meet CRL Affordable Housing Production Requirements</b>						
Very-Low Income	0	144	0	0	58	202
Very-Low, Low, or Moderate Income	2	86	0	0	59	147
Subtotal <sup>1 to 4</sup>	2	230	0	0	117	349
<b>4. Total Surplus (Units Produced in Excess of CRL Requirement)</b>						
Very-Low Income						136
Very-Low, Low, or Moderate Income						50
Subtotal						186

Source: 1998 Implementation Plan and City of Fremont Redevelopment Agency. (Updated: April 2003)

Notes:

1. Baywood Apartments, Redwood Lodge and Sequoia Manor in the Irvington Redevelopment Project Area include price-restricted units that were inadvertently not included towards the Agency's housing production obligation in the 1998 Implementation Plan. The three projects provide a total of 170 below market rate units: Baywood (66), Redwood Lodge (24), and Sequoia Manor (80).
2. Essanay Place Townhomes: While the Agency assisted 80 owner units, only 2 owner units have remaining recorded affordability restrictions.
3. Woodcreek Village: 60 rental units have recorded affordability covenants.

4. The Agency provided assistance for 234 rental units with rent restrictions to ensure long term affordability: Century Village (100), Pickering (42), Pacific Grove (9), Tree Tops (23), Park Vista (60). Because these units were located outside of the redevelopment project areas, only half of the units, or 117 rent-restricted units, count towards the Agency's housing production obligation. Of these, 63 units were very low income, and 54 units were either very-low, low, or moderate income.

**Table 3-1B  
Affordable Housing Developments  
Pre-1998**

<b>Project</b>	<b>Total Units Built or Acquired/ Rehabilitated</b>	<b>Very Low</b>	<b>Low</b>	<b>Moderate</b>	<b>Total Units that Meet Housing Production Requirement</b>
<i>Inside Project Areas</i>					
Baywood	82	40	26	0	66
Essanay Place Townhomes	80	0	0	2	2
Redwood Lodge	24	24	0	0	24
Sequoia Manor	80	80	0	0	80
Woodcreek	96	0	60	0	60
<i>Outside Project Areas<sup>1</sup></i>					
Century Village	100	38	37	0	38
Pacific Grove	20	9	11	0	10
Park Vista	60	40	20	0	30
Pickering	42	2	19	21	21
Treetops	176	35	0	0	18
<b>Total</b>	<b>760</b>	<b>268</b>	<b>173</b>	<b>23</b>	<b>349</b>

Source: City of Fremont Redevelopment Agency, April 2003.

Note(s):

1. For units developed outside of redevelopment project areas, the Agency may count only 50% of the rent or price-restricted units towards its housing production obligation.

### **3.2 Ten Year Production Plan (FY 1998-2008)**

Redevelopment agencies are required to develop and adopt an affordable housing production plan every ten years (AB 315 Plan). The housing production plan must explain how the Agency will meet its housing production requirement for the following time periods: (a) production over the first five years of the ten-year compliance period; (b) production over the ten-year compliance period; and (c) production through the life of the redevelopment plan.

## Housing Production in the Past Five Years (FY 1998-2003)

In 1998, the Agency adopted its ten-year affordable housing production plan and is currently in the mid-point of the ten-year compliance period that began July 1, 1998 and will end June 30, 2008. This report provides an update of the Agency's housing production obligations. Table 3-2A shows the Agency's housing production requirements and housing production obligation for the previous five years. **For the period beginning July 1, 1998 through June 30, 2003, the Agency exceeded its housing production obligation by 54 units. That is, the Agency has caused production of more units than is required by California Redevelopment Law.**

Table 3-2B lists the developments that were counted towards meeting the Agency's housing production obligation. Only the units that were completed were counted towards meeting the Agency's housing production obligation, although the Agency may have made investments in other housing development projects. The developments that have received Agency assistance but have not yet been completed will be counted towards meeting the Agency's housing production obligations for the next five-year period beginning July 1, 2003 to June 30, 2008.

**TABLE 3-2A**  
**Housing Production Obligation**  
**From July 1, 1998 to June 30, 2003**

	Niles	Irvington	Industrial	Centerville	Outside Project Area	Total
<b>1. Housing Production (FY 1998/99 to FY 2002/03)</b>						
New Units	0	121	0	74	N/A	195
Substantially Rehabilitated Units	0	8	0	0	N/A	8
Subtotal	0	129	0	74	N/A	203
<b>2. CRL Affordable Housing Production Requirement</b>						
Very-Low Income (6% of Total)					N/A	12
Very-Low, Low, or Moderate Income (9% of Total)					N/A	18
Subtotal					N/A	30
<b>3. Units Built that Meet CRL Affordable Housing Production Requirements<sup>1</sup></b>						
Very-Low Income	0	5	0	0	35	40
Very-Low, Low, or Moderate Income	0	23	0	6	15	44
Subtotal	0	28	0	6	50	84

<b>4. Total Surplus (Units Produced in Excess of CRL Requirement)</b>						
Very-Low Income						28
Very-Low, Low, or Moderate Income						26
<b>Subtotal</b>						<b>54</b>

Source: City of Fremont Community Preservation Department, Permits and Plans, Planning, and Redevelopment (including FY 2002-2003 Redevelopment Project Appropriations Plan, FY 98/99 to FY 01/02 Housing and Community Development Annual Report, and January 2003 Projects List from Development Organization).

Notes (to Table 3-2A):

1. The Agency provided assistance for 101 units with rent or price restrictions to ensure long term affordability: Oroysom Village (60) and Avelina (41). Because these units were located outside of redevelopment project areas, only half the units, or 50 rent or price restricted units count towards the Agency's housing production obligations.

**Table 3-2B**  
**Affordable Housing Developments**  
**From July 1, 1998 to June 30, 2003**

<b>Project</b>	<b>Total Units Built, Acquired and/or Rehabilitated</b>	<b>Very Low</b>	<b>Low</b>	<b>Moderate</b>	<b>Total Units that Meet Housing Production Requirement</b>
<i>Inside Project Areas</i>					
Adams Avenue Homes	17	7	10	0	17
Bridgeway Transitional Housing	8	5	3	0	8
Greenwich/Trafalgar Townhomes	30	0	0	3	3
Sequoia Commons	6	0	0	6	6
<i>Outside Project Areas</i>					
Oroysom Village/Avelina	101	60	40	0	50
<b>Total</b>	<b>162</b>				<b>84</b>

Source: City of Fremont Redevelopment Agency, April 2003.

Notes:

1. The Agency provided assistance for 101 units with rent or price restrictions to ensure long term affordability: Oroysom Village (60) and Avelina (41). Because these units were located outside of redevelopment project areas, only half the units, or 50 rent or price restricted units count towards the Agency's housing production obligations.

## Housing Production Projection for the Next Five Years, FY 2003-08

The Agency has developed estimates of the number of units likely to be built or substantially rehabilitated in the next five year period based on two factors: (a) historical production in the redevelopment project areas in the previous five years; and (b) number of new construction and substantially rehabilitated units anticipated to be developed through Agency-assisted projects. Based on real estate market activity to date, the Agency does not anticipate a substantial increase or reduction in the residential growth rate and assumes that residential development in Fremont will remain "flat" in the next five years. Table 3-2C summarizes the future housing production in the Project Area over the next five-year implementation period beginning July 1, 2003 to June 30, 2008. Table 3-2D lists the housing developments that have been initiated but are not yet completed. The units resulting from these developments will be counted towards meeting the Agency's housing production obligation in the next five years. Current estimates show that the Agency will meet its housing production obligation and will have a surplus of 215 units (163 very low, 52 low and moderate-income units).

**TABLE 3-2C**  
**Projected Housing Production Obligation**  
**From July 1, 2003 to June 30, 2008**

	Niles	Irvington	Industrial	Centerville	Other <sup>4</sup>	Outside Project Area	Total
<b>1. Housing Production Obligation<sup>1</sup></b>							
New Units	140	29	0	154	100	N/A	423
Substantially Rehabilitated Units	0	0	0	0	0	N/A	0
Subtotal	140	29	0	154	100	N/A	423
<b>2. CRL Affordable Housing Production Requirement</b>							
Very-Low Income (6% of Total)						N/A	25
Very-Low, Low, or Moderate Income (9% of Total)						N/A	38
Subtotal						N/A	63
<b>3. Units Anticipated to Meet CRL Affordable Housing Production Requirements<sup>2 &amp; 3</sup></b>							
Very-Low Income	15	29	0	96	6	42	188
Very-Low, Low, or Moderate Income	0	0	0	38	9	43	52
Subtotal	15	29	0	134	15	85	278

4. Total Surplus (Units Produced in Excess of CRL Requirement)							
Very-Low Income							163
Very-Low, Low, or Moderate Income							52
Subtotal							215

Source: Redevelopment Agency FY 2002-2003 Project Appropriations Plan and City of Fremont Housing Element, January 2003 Draft.

Notes (to Table 3-2C):

1. Housing Production estimates for FY 2003-08 are based on (a) historical production in project areas in the last five years (FY 1998-2003); and (b) the number of new construction and substantially rehabilitated units anticipated to be developed through Agency-assisted projects in pipeline. Based on real estate market activity to date, the Agency does not anticipate a substantial increase or reduction in residential growth rate and assumes that residential development in Fremont will remain "flat" in the next five years.

2. Niles: A total of 140 units are estimated to be developed through private developments. A) Henckels Site - Proposed 120-unit development (108 townhomes and 11 live-work space) currently in due diligence process; a total of 12 units, or 10% of total units, will have affordability restrictions. B) Union Pacific site - An estimated 21, second floor units above commercial storefronts are proposed in Union Pacific Property Master Plan. At least 3 of these units, or 15% of the total units, will have affordability restrictions.

3. Irvington and Centerville: An estimated 183 units are proposed to be constructed through Agency-assisted projects currently in pipeline (as of April 2003). Table 3-2D shows a list of projects counted towards meeting the Housing Production Obligation. Additional units may be created through development of key sites in the Project Areas (i.e., Centerville Unified Site). The number of price-restricted units is yet to be determined.

4. "Other" Category, New Construction Units: An estimated 100 units could potentially be developed by the private sector and other public agencies (other than the Redevelopment Agency). As required by the City's Inclusionary Housing Ordinance, at least 15% of total units, or 15 units, must be price-restricted units.



**Table 3-2D**  
**Agency-Assisted Affordable Housing Developments**  
**New Construction and Substantial Rehabilitation Projects In Pipeline**  
**From July 1, 2003 to June 30, 2008**

<b>Project</b>	<b>Total Units Built, Acquired and/or Rehabilitated</b>	<b>Very Low</b>	<b>Low</b>	<b>Moderate</b>	<b>Total Units that Meet Housing Production Requirement</b>
<i>New Construction</i>					
Affirmed Housing - Multifamily Rental	132	96	36	0	132
Brideway Expansion	18	18	0	0	18
Central Avenue Townhomes <sup>2</sup>	22	0	0	2	2
Lincoln Street Apartments	11	11	0	0	11
Sub-total	183				163
<i>Outside Project Area<sup>1</sup></i>					
Fremont Assisted Living <sup>3</sup>	100	4	16	0	10
Fremont Oak Gardens <sup>3</sup>	50	30	20	0	25
Mercy Housing – Multifamily Rental <sup>4</sup>	100	50	50	0	50
Sub-total	250				85
<b>Total</b>	<b>514</b>				<b>329</b>

Source: City of Fremont Redevelopment Agency, April 2003.

Notes:

- 1) For projects built outside of redevelopment project areas, only half of the price-restricted units can be counted towards meeting the Agency's housing production obligation.
- 2) Central Avenue Townhomes: The Agency will continue to work with Developer on development plans for the site. Initial plans anticipate 22 units likely to be built, with at least 10%, or 2, price-restricted units.
- 3) Fremont Assisted Living and Fremont Oak Gardens: The Agency appropriated funds for these projects prior to June 2003. However, the projects are scheduled for completion during the Implementation Period and thus, the units are counted towards meeting the Agency's housing production obligations during this Implementation Period.
- 4) Mercy Family Housing: The Agency/Developer is currently involved in the due diligence process. Initial plans anticipate 100 units but the development is likely to produce more units. Since the site is located outside of the redevelopment project areas, only half of the price-restricted units can count towards the housing production obligation. Thus, in this early stage, only 50 units is anticipated to count towards the Agency's housing production obligation.

## **Summary of Housing Production During Current Ten-Year Compliance Period**

For the remaining five years of the 10-year compliance period, the Agency's goal is to aggressively pursue new construction developments inside and outside the Redevelopment Project Areas. **Table 3-2E shows the Agency will exceed its housing production obligation by 302 units for the period beginning July 1, 1998 through June 30, 2008.** The successful issuance of a housing tax increment bond in May 2003 will provide the source of funds the Agency will need to support these projects. In keeping with the Affordable Housing Investment Strategy (adopted by the Redevelopment Agency on June 25, 2002), the Agency will focus the majority of its resources on new construction projects that will provide rental units for very low and low-income households, especially large families, people with special needs, and seniors. However, the Affordable Housing Funds will also be available to assist moderate-income households, particularly through programs such as the First-Time Homebuyers Program and the Home Improvement Program (single-family, rehabilitation loan program). The Agency will also depend on the private market to develop new housing units for people with higher incomes.

The Redevelopment Agency intends to meet its housing production obligations by continuing to invest Affordable Housing Funds in the Five-Point Housing Program. In addition, the recently adopted Inclusionary Housing Ordinance (which became law in 2002) will assist in meeting the Agency's inclusionary obligation. The Inclusionary Housing Ordinance requires all new residential developments throughout the City to set aside at least 15% of the total units for very low, low and moderate-income households.

**TABLE 3-2E**  
**Summary of Housing Production Obligation**  
**For Last Five Years (July 1, 1998 to June 30, 2003) and**  
**Projections for the Next Five Years (July 1, 2003 to June 30, 2008)**

	Niles	Irvington	Industrial	Centerville	Other	Outside Project Area	Total
<b>1. Housing Production</b>							
New Units	140	150	0	228	100	N/A	618
Substantially Rehabilitated Units	0	8	0	0	0	N/A	8
Subtotal	140	158	0	228	100	N/A	626
<b>2. CRL Affordable Housing Production Requirement</b>							
Very-Low Income (6% of Total)						N/A	38
Very-Low, Low, or Moderate Income (9% of Total)						N/A	56
Subtotal						N/A	94
<b>3. Units Built /Anticipated to Be Built that Meet CRL Affordable Housing Production Requirements</b>							
Very-Low Income	15	34	0	96	6	110	261
Very-Low, Low, or Moderate Income	0	23	0	44	9	59	135
Subtotal	15	57	0	140	15	169	396
<b>4. Total Surplus (Units Produced in Excess of CRL Requirement)</b>							
Very-Low Income							223
Very-Low, Low, or Moderate Income							79
Subtotal							302

Source: Draft Implementation Plan (FY 2003-2008), Tables 3-2A and Table 3-2C.

### **3.3 Production Over Life of Redevelopment Plans**

As part of its Housing Production Plan, the Agency must also report on how it intends to meet its Housing Production Requirement through the life of the redevelopment plans. The following are general assumptions on what the Agency expects will be built or substantially rehabilitated in the Project Areas through the life of the plan:

#### **Niles (2009 to End of Project Life Production – FY 2008/09 to FY 2042/43)**

The Agency projects that infill housing will be built on underutilized properties and vacant lots in the Project Area through the end of the Project, none by the Agency itself. The Agency will ensure that at least 15% of those units will be available to very low, low and moderate-income households as required by the CRL.

#### **Irvington (2009 to End of Project Life Production – FY 2008/09 to FY 2042/43)**

The Agency projects that infill housing will be built on underutilized properties and vacant lots in the Project Area through the end of the Project, none by the Agency itself. The Agency will ensure that at least 15% of those units will be available to very low, low and moderate-income households as required by the CRL.

#### **Centerville (2009 to End of Project Life Production – FY 2008/09 to FY 2041/42)**

In the 1998 Implementation Plan, the Agency projected that an additional 340 units could potentially be built in the Project Area through the end of the Project, again none by the Agency itself. Based on the potential production of 340 units in Centerville, the Agency's housing production obligation will be 51 units. That is, at a minimum, the Agency will ensure that 51 units are affordable to very low, low and moderate-income households. The City's Inclusionary Housing Ordinance, which requires all new residential developments throughout the City to set aside at least 15% of the total units for very low, low and moderate-income households, will assist the Agency in meeting its future housing production obligations.

#### **Industrial**

Since no land is designated for residential development, no units have been produced in the Industrial Project Area since the establishment of the Redevelopment Project. Likewise, no new homes are projected to be built or substantially rehabilitated in the Project Area through the life of the Redevelopment Plan.

### **3.4 Monitoring and Reporting Housing Production Activity**

In previous years, the Agency has monitored its housing production obligation primarily through annual reports to the Department of Housing and Community Development (HCD). At the end of the calendar year, the Redevelopment Agency submits to HCD an Annual Report of Housing Activity, which summarizes development activity in the Project Areas and expenditures of the Affordable Housing Fund.

#### **4. Replacement Housing Requirement**

When low and moderate income housing units occupied by households whose incomes do not exceed 120% of median income) is removed or destroyed due to agency action, an agency must replace those units with new or newly rehabilitated affordable housing units. At least thirty days prior to acquiring property or adopting an agreement that will lead to the destruction or removal of low and moderate income housing units, an agency must adopt, by resolution, a replacement housing plan that generally describes the location, timing and method by which replacement housing will be provided.

Replacement units may be located anywhere within the city limits. An agency may either construct the required replacement housing, or cause such housing to be constructed through agreements with housing developers. Replacement units must be available at affordable housing cost to households of low and moderate income. In addition, 100% of the replacement units must be available at affordable housing cost to the same income level of households as were displaced from the units removed or destroyed, and the same or greater number of bedrooms must also be replaced. Replacement housing must remain affordable for a minimum of 55 years for rental units or 45 years for owner-occupied units. The affordability controls must be made enforceable by recorded covenants or restrictions.

At the current time, the Agency knows of two (2) units that may be removed or destroyed to facilitate the development of two (2) affordable housing communities; however, these new projects are in the very early planning stage. Should these projects proceed to development, removed units will be replaced on site by units in the new affordable projects. If any additional affordable housing units are removed or destroyed due to Agency action, the Agency will be required to meet the Replacement Housing obligations in effect at the time.

#### **5. Conformance to the City of Fremont Housing Element (FY 2001-2006)**

The General Plan Housing Element promotes four (4) primary goals:

- Goal 1- Conservation and enhancement of existing residential neighborhoods.
- Goal 2- High quality and well-designed new housing of all types throughout the City.
- Goal 3- Housing affordable and appropriate for a variety of households at all economic levels throughout the City consistent with the Hill Area Initiative of 2002.
- Goal 4- A continuing leadership role in regional efforts to maintain and expand the range of housing alternatives in the San Francisco Bay Area.

The Agency is committed to assisting the City to achieve these goals through the policies and programs presented in the City's Housing Element. Many of the programs described in the City's Housing Element are also programs included in the Agency's Five Year Implementation Plan, such as the continuation of a first-time homeowner program, rehabilitation of existing rental housing, and preservation of existing affordable housing,

as well as investment in and facilitation of the development of new affordable housing (and the removal of barriers to the development of affordable housing). The Affordable Housing Five Year Implementation Plan for FY 2003-08 will be revised as needed to maintain consistency with the City's adopted Housing Element.

**Exhibit VI-1A**  
**Income Limits Adopted by State of California in 2003**  
**City of Fremont**

Household Size	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>
Very Low	\$28,050	\$32,050	\$36,050	\$40,050	\$43,250	\$ 46,450	\$ 49,650	\$ 52,850
Lower	\$44,850	\$51,250	\$57,650	\$64,100	\$69,200	\$ 74,350	\$ 79,450	\$ 84,600
Median	\$53,600	\$61,300	\$68,950	\$76,600	\$82,750	\$ 88,850	\$ 95,000	\$101,100
Moderate	\$64,350	\$73,500	\$82,700	\$91,900	\$99,250	\$106,600	\$113,950	\$121,300

Source: State of California, Department of Housing and Community Development, April 2003.